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April 1, 2003

**Ex Parte Presentation**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: *Application by SBC Communications Inc., et al. for Provision of In-Region,  
InterLATA Services in Michigan*, WC Docket No. 03-16

Dear Ms. Dortch:

On behalf of SBC Communications Inc. ("SBC"), I am attaching Ernst & Young's ("E&Y's") Report of Independent Accountants, verifying that Exhibits 2 and 3 to Attachment A of SBC's March 28 Ex Parte Letter fairly identify the BearingPoint test findings that are included in the E&Y reports. See Attachment A. In addition, I am attaching an e-mail from BearingPoint confirming that its Observations 587 and 749 have now been closed. See Attachment B.

Moreover, I wish to point out two typographical errors in Exhibit 4 to Attachment A of SBC's March 28 Ex Parte Letter: (1) on the second to last line of the table, corresponding to O717, the BearingPoint reference should be "OSS Test Closed Observation Status Report 3/25/03"; (2) on the last line of the table, corresponding to O749, the BearingPoint reference should be "OSS Test Open Observation Status Report 3/25/03."

Finally, I would like to inform you about two separate meetings that took place today. The first involved a meeting with the FCC staff to discuss data integrity and billing issues. The following participated on behalf of SBC: James C. Smith, Rebecca L. Sparks, John T. Lenahan, Jared Craighead, and Geoffrey M. Klineberg. The following participated on behalf of the FCC: Jeffrey Carlisle, Scott Bergmann, Michelle Carey, John P. Stanley, Denise Coca, Russ Hanser, Marcus Maher, Ben Childers, and Debra Weiner.

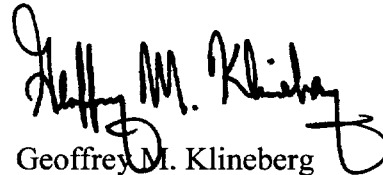
The second meeting took place with Commissioner Copps and his Legal Advisor, Jessica Rosenworcel, to discuss data integrity, billing, change management, and line-loss notifications. Participating on behalf of SBC were William M. Daley, James C. Smith, Rebecca L. Sparks, and Geoffrey M. Klineberg.

Marlene H. Dortch  
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**Ex Parte Presentation**

In accordance with this Commission's Public Notice, DA 03-156 (Jan. 16, 2003), SBC is filing this letter and attachments electronically through the Commission's Electronic Comment Filing System. Thank you for your kind assistance in this matter.

Sincerely,



Geoffrey M. Klineberg

**Attachments**

cc: Jeffrey Carlisle  
Michelle Carey  
John P. Stanley  
Gina Spade  
Ben Childers  
Russ Hanser  
Susan Pié  
Layla Seirafi-Najar  
Dorothy Wideman  
Ann R. Schneidewind  
Qualex International

# **Attachment A**

## Report of Independent Accountants

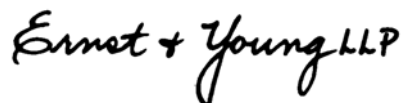
To The Management of  
SBC Communications Inc.

We have examined SBC Communications Inc.'s ("the Company") assertion included in the Report of Management on the Relationship of BearingPoint's March 7, 2003 Performance Metrics Review Update Report and Ernst & Young LLP's Performance Measurement Examination Reports ("Company's Assertion"), regarding whether open BearingPoint Test Findings were included in the E&Y Report of Independent Accountants dated October 18, 2002 or the E&Y Report of Independent Accountants dated December 19, 2002 (E&Y Reports) or if not included, the accuracy of explanations as to why those Test Findings were not included in the E&Y Reports<sup>1</sup>. Management is responsible for the Company's Assertion. Our responsibility is to express an opinion on the Company's Assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's Assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Company's Assertion is fairly stated, in all material respects.

This report is intended solely for the information and use of the Company and the Federal Communications Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



March 31, 2003

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<sup>1</sup> Information regarding why E&Y did not include certain BearingPoint Test Findings in the E&Y Report was obtained from copies of E&Y workpapers provided to the participants of the Wisconsin Technical Conference held on March 11, 2003. BearingPoint Test Findings that were issued after the issuance of E&Y's final compliance report in Wisconsin are not addressed in the E&Y workpapers and are noted as "undetermined" in Attachment A to this report.



## Report of Management on the Relationship of BearingPoint's March 7, 2003 Performance Metrics Review Update Report and Ernst & Young's Performance Measurement Examination Reports

On March 28, 2003, SBC Communications Inc. ("the Company") submitted to the Federal Communications Commission ("FCC") an Ex Parte Presentation that, among other things, responded to questions regarding the relationship between portions of the ongoing BearingPoint Performance Metric Review (PMR 4 and PMR 5) and the Ernst & Young LLP ("E&Y") performance measurement examination reports.<sup>1</sup> In Attachment A to the March 28, 2003 Ex Parte, the Company included two PMR Exhibits that addressed whether BearingPoint "Not Satisfied" PMR 4 and PMR 5 Test Findings in BearingPoint's Performance Metrics Review Update Report dated March 7, 2003, prepared for the Michigan Public Service Commission, were included in the E&Y Report of Independent Accountants dated October 18, 2002 or the E&Y Report of Independent Accountants dated December 19, 2002 (E&Y Reports). If Test Findings were not included in the E&Y Reports, the PMR Exhibits provided explanations as to why those Test Findings were not included in the E&Y Reports.<sup>2</sup> These two PMR Exhibits are included as Attachment A to this report.

We assert the following related to these two exhibits:

1. The issues identified in BearingPoint's Test Findings noted in Attachment A to this report as being included in the E&Y Reports are included in the E&Y Reports. In a few isolated instances, not all performance measurements identified by BearingPoint as being affected by the identified issue were specifically referenced in the E&Y Reports.
2. For Test Findings noted in Attachment A to this report as not being included in the E&Y Reports, the explanations provided in Attachment A are consistent with the explanations documented in the E&Y supporting workpapers.

SBC Communications Inc.

Date: March 31, 2003

By: M. N. Gilliam

Title: Vice President-Long Distance

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<sup>1</sup> Ex Parte Letter from Geoffrey M. Klineberg, Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C., to Marlene H. Dortch, FCC (Mar. 28, 2003) (including Attachment A, Exhibit 2, "Not Satisfied" Test Criteria Analysis-PMR 4; and Attachment A, Exhibit 3, "Not Satisfied" Test Criteria Analysis-PMR 5 "PMR Exhibits").

<sup>2</sup> Information regarding why E&Y did not include certain BearingPoint Test Findings in the E&Y Report was obtained from copies of E&Y workpapers provided to the participants of the Wisconsin Technical Conference held on March 11, 2003. BearingPoint Test Findings that were issued after the issuance of E&Y's final compliance report in Wisconsin are not addressed in either the E&Y Report or E&Y workpapers and are noted as "undetermined" in Attachment A to this report.

## **Attachment A**

## **PMR 4 Exhibit**

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria Analysis - PMR 4**

BearingPoint 3/7/2003 Test Report				In E&Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>4</sup>
<b>PMR 4-1: Required source records are included in data used to calculate measures</b>							
1	4-1 E Billing Measures	E176	SBC's March 2002 PM data is missing DUF records used for PM 19	No		E&Y work paper clarification: (This is not an issue. The business rules do not state that access records should be included in the calculation of PM 19. This change is not expected to have an impact on the results.)	While SBC does not agree with BearingPoint's position, it none the less opened an ER to include access (category 11) records in the calculation of PM 19 in order to satisfy the BearingPoint's test criteria. SBC's assessment of December 2002 source data confirms the measure result would not be materially impacted by the addition of access records. BearingPoint is currently Retesting this issue.
2	4-1 R Other Measures	E183 <sup>3</sup>	SBC's PM data is missing interface outage notifications used in PM MI 11 for the months of Jan, Mar, Apr, and May 2002.	Yes	Section 2b, 11(ii)		BearingPoint is currently Retesting this issue.
<b>PMR 4-3: Records in processed data used to calculate measures are consistent with unprocessed data from source systems</b>							
3	4-3 J 911 Measures	E181 <sup>3</sup>	SBC's processed records for PM 104.1 are inconsistent with the unprocessed records from source systems for Jan 2002	Yes	Section 2b, 8(i)		BearingPoint is currently Retesting this issue.
4	4-3 P Bona Fide Request Measures	E179	SBC's processed records for PM 120 are inconsistent with the unprocessed records from source systems for May 2002	No		E&Y work paper clarification: (There were no changes to the aggregate results for PM 120. As a result, this is immaterial.)	To correct the issue SBC opened an ER, implemented process improvements and restated May results on December 5, 2002 (this restatement did not change the percent processed within 30 Business Days, and only adjusted the CLEC aggregate numerator and denominator from 6 records to 5). BearingPoint has since Closed (Satisfied) this exception.
5	4-3 R Other Measures	E183 <sup>3</sup> E174 <sup>3</sup>	E183: See item #2  E174: SBC is using incorrect data in the calculation of PM MI 11	E183: Yes E174: Yes	Section 2b, 11(ii)		E183: BearingPoint is currently Retesting this issue. E174: SBC Midwest has successfully resolved this issue and BearingPoint has closed the related exception with a satisfied disposition.
<b>PMR 4-4: Data fields in processed data used to calculate measures are consistent with unprocessed data from source systems</b>							
6	4-4 B Ordering Measures	E134 <sup>3</sup>	SBC incorrectly populated the product name field in the RRS with "UNKNOWN" for Jan 2002.	Yes	Section 2a, 2f(i)		BearingPoint is currently Retesting this issue.
7	4-4 C Provisioning Measures	E134 <sup>3</sup>	See item #6	Yes	Section 2a, 2f(i)		BearingPoint is currently Retesting this issue.
8	4-4 D Repair Measures	E134 <sup>3</sup>	See item #6	Yes	Section 2a, 2f(i), Section 2a, 2f(ii)		BearingPoint is currently Retesting this issue.
9	4-4 E Billing Measures	E176	See item #1	No		See item #1	See item #1
10	4-4 I Local Number Portability Measures	E134 <sup>3</sup>	See item #6	Yes	Section 2a, 2f(i)		BearingPoint is currently Retesting this issue.



**BearingPoint Performance Metric Test  
"Not Satisfied" Test Criteria Analysis - PMR 4**

BearingPoint 3/7/2003 Test Report				In E&Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>4</sup>
11	4-4 J 911 Measures	E181 <sup>3</sup>	See item #3	Yes	Section 2b, 8(i)		BearingPoint is currently Retesting this issue.
12	4-4 N Coordinated Conversion Measures	E175 <sup>3</sup>	SBC is using incorrect data in its calculation of PM's 114 and 115 for Jan through Jun 2002	Yes	Section 3, 13		BearingPoint is currently Retesting this issue.
13	4-4 P Bona Fide Request Measures	E179	See item #4	No		See item #4	See item #4
14	4-4 R Other Measures	E134 <sup>3</sup> E174 <sup>3</sup>	See item #6 for E134 See item #5 for E174	E134: Yes E174: Yes	E134: Section 2a, 2f(i) E174: Section 2b, 11(ii)		E134: BearingPoint is currently Retesting this issue. E174: SBC Midwest has successfully resolved this issue and BearingPoint has closed the related exception with a satisfied disposition.

Reference Notes	
1	Based on information contained in the Appendix A Management Assertions of the Dolan Horst Affidavit, Attachment F dated 12/19/02 filed in docket WC No. 03-16 on January 16, 2003.
2	Based on an analysis of the information contained in the E&Y workpaper entitled "BearingPoint Exceptions and Observations - Master Index - Phase 2".
3	BearingPoint's initial testing was prior to the corrective action taken for the E&Y identified issue
4	Status is based upon SBC Midwest's current understanding of BearingPoint's test results as of March 25, 2003.

	Issue was identified as an interpretation or as needing corrective action in the EY Report. BP testing was prior to SBC taking corrective action on the EY issue and either 1) BP is re-testing or has retested using data reflective of the corrective action or 2) BP's re-testing is not yet using data reflective of the corrective action.
	Issue was reviewed by EY. In its report, EY did not identify this as an issue needing corrective action on the basis of EY's determination that the issue did not have a material impact on results. SBC has corrected the issue on a going-forward basis.

## **PMR 5 Exhibit**

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
<b>PMR 5-2: Metrics Replicated Values Agree</b>							
1	5-2 A Pre-Order Measures	O812	BearingPoint has been unable to replicate SBC's Jul'02 results for PM2	Undetermined		Unable to determine if it is included in the E&Y report at this time.	SBC corrected the issue related to data sorting that resulted in missing transactions. This change was made for November 2002 results going forward. August -October results have been restated to reflect this change. July results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality).
2	5-2 B Order Measures	None	During testing if a restatement occurs BearingPoint automatically fails test point until it can complete its testing on the measure in question, even though it has found no issue with the measure in its current testing.	N/A			BearingPoint labels this test point as "unsatisfied", merely because its testing is not complete and therefore based upon its scoring methodology this test point can not be labeled "satisfied" until all testing is completed. There are no observations or exceptions associated with this failure, it is associated with restatements based on E&Y findings Section 2A #1D, #1E, Section 3 #5 (i-ii), Section 4, #5 (i), 7(i - v), 8.
3	5-2 C Billing Measures	O538 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 18	Yes	Attachment B, 12		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
4	5-2 E Provisioning Measures	O613 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 58	Yes	Section 2A, #2G(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O625 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 29	Yes	Section 2A, #2G(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O633	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 45	No		E&Y Work Paper: Reviewed and determined this not to be an issue	Although the issue was immaterial (i.e., > 5% materiality), SBC corrected the issue related the replication of the measure by restating data back to Jul '02 and providing updated documentation to BearingPoint.
5	5-2 F Maintenance & Repair Measures	O627	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 37	No		E&Y Work Paper: Reviewed and determined this not to be an issue as the exclusion of trouble tickets with no associated lines at the geography level is not material	Finding has been fixed going forward with February 2003 results. Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., > 5% materiality). SBC is currently assessing whether to restate this measure merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.
		O639	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 37.1	No		E&Y Work Paper: Reviewed and determined this not to be an issue as the exclusion of trouble tickets with no associated lines at the geography level is not material (same issue as O627)	Finding has been fixed going forward with February 2003 results. Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., > 5% materiality). SBC is currently assessing whether to restate this measure merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O664	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 54.1	No		E&Y Work Paper: Reviewed and determined this not to be an issue as the exclusion of trouble tickets with no associated lines at the geography level is not material	Finding has been fixed going forward with February 2003 results. Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., > 5% materiality). SBC is currently assessing whether to restate this measure merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.
6	5-2 G Interconnection Trunks Measures	NR89	Unable to replicate PM 73	Undetermined		Unable to determine if it is included in the E&Y report at this time.	NR89 turned into O817, issued 3/3/03. SBC is currently investigating this observation.
		NR90	Unable to replicate PM 75	N/A		BearingPoint was incorrectly replicating the performance measure. As such, there was no issue for E&Y to identify	After further clarification, SBC has successfully demonstrated to BearingPoint it was mistaken, BearingPoint has concurred and determined finding was not an issue and closed the Notification Report with a satisfied status.
		NR91	Unable to replicate PM 74	N/A		BearingPoint was incorrectly replicating the performance measure. As such, there was no issue for E&Y to identify	After further clarification, SBC has successfully demonstrated to BearingPoint it was mistaken, BearingPoint has concurred and determined finding was not an issue and closed the Notification Report with a satisfied status.
		NR93	Unable to replicate PM 70	N/A		BearingPoint was incorrectly replicating the performance measure. As such, there was no issue for E&Y to identify	After further clarification, SBC has successfully demonstrated to BearingPoint it was mistaken, BearingPoint has concurred and determined finding was not an issue and closed the Notification Report with a satisfied status.
		NR94	Unable to replicate PM 76	N/A		BearingPoint was incorrectly replicating the performance measure. As such, there was no issue for E&Y to identify	After further clarification, SBC has successfully demonstrated to BearingPoint it was mistaken, BearingPoint has concurred and determined finding was not an issue and closed the Notification Report with a satisfied status.
		NR95	Unable to replicate PM 78	Undetermined		Unable to determine if it is included in the E&Y report at this time.	NR95 turned into O824 (issued 3/20/03). SBC is currently investigating this observation.
7	5-2 I Local Number Portability Measures	O547	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 98	N/A		E&Y Work Paper: Reviewed and determined this not to be an issue.	BearingPoint was able to match SBC Midwest's posted results for Performance Measurement 98 after it implemented the corrections to its processing suggested by SBC Midwest. BearingPoint proposed to close this Observation Report as satisfied.
		O802	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 92	Undetermined		Unable to determine if it is included in the E&Y report at this time.	Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., > 5% materiality). SBC is currently assessing whether to restate this measures merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O805	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 96	Undetermined		Unable to determine if it is included in the E&Y report at this time.	Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., > 5% materiality). SBC is currently assessing whether to restate this measures merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.
		O806	BearingPoint has been unable to replicate SBC's Jul'02 results for PM 97	Undetermined		Unable to determine if it is included in the E&Y report at this time.	Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., > 5% materiality). SBC is currently assessing whether to restate this measures merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.
8	5-2 J 911 Measures	O818	BearingPoint has been unable to replicate SBC's Jul, Aug, and Sep'02 results for PM104.1	Undetermined		Unable to determine if it is included in the E&Y report at this time.	Finding has been fixed going forward with February 2003 results. Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., diagnostic measure). SBC is currently assessing whether to restate this measure merely to satisfy the BearingPoint test criteria and not because of any material change to the reported measure.
9	5-2 K Poles, Conduits & Right of Way Measures	O646	BearingPoint has been unable to replicate SBC's Jul'02 results for PM's 105 and 106	No		E&Y reviewed the issue and determined a finding was not warranted based on data months analyzed. This issue was a manual processing error isolated to Jul'02 results. As such, this would not be included on the E&Y report	BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O796 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Aug'02 results for PM's 105 and 106	Yes	Section 4, #23(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O797	BearingPoint has been unable to replicate SBC's Aug, and Sep'02 results for PM MI 5	No		E&Y Workpaper: Reviewed and determined this not to be an issue as the numerators are all zero and have no material impact on results.	SBC corrected the issue related to the replication of this PM. This change was made for January 2003 results going forward. SBC restated July - December 2002 results merely to satisfy BearingPoint testing criteria and forwarded restated data to BearingPoint for retesting, as the results based on SBC Midwest's criteria for restatement (i.e., > 5% materiality) would not have required a restatement.
		O798 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Sep'02 results for PM's 105 and 106	Yes	Section 4, #23(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
10	5-2 N Coordinated Conversion Measures	O791 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Aug'02 results for PM 115	Yes	Section 3, #13		BearingPoint is currently retesting the issue using data from Sept '02 reflecting the corrective action that address the E&Y and BearingPoint issues.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
11	5-2 P Bonafide Request Measures	NR77	Unable to replicate PM 120	N/A		BearingPoint was incorrectly replicating the performance measure. As such, there was no issue for E&Y to identify	After further clarification, SBC has successfully demonstrated to BearingPoint it was mistaken, BearingPoint has concurred and determined its finding was not an issue and closed the Notification Report with a satisfied status.
12	5-2 Q Facilities Modification Measures	NR67	Unable to replicate PM CLEC WI 1	Undetermined		Unable to determine if it is included in the E&Y report at this time.	NR67 turned into O822 (issued 3/24/03). SBC is currently investigating this observation.
13	5-2 R Other Measures	O800	BearingPoint has been unable to replicate SBC's Jul, Aug, and Sep'02 results for PM Michigan 11	No		E&Y Work Paper: This issue was a manual processing error impacting Jul'02 results.	This was a manual processing error that only occurred in July. As such this would not be included on the E&Y report. BearingPoint is currently retesting.
<b>PMR 5-3: Calculations are consistent with the documented rules</b>							
14	5-3 A Pre-Order Measures	E113	SBC's calculation of PM 2 for Jan - Mar '02 does not follow the approved metrics business rules.	Yes	Attachment B <sup>5</sup> , #2		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O697 <sup>4</sup>	SBC's posted results for PM 1.2 do not follow the Jul, Aug, or Sep'02 published business rules	Yes	Section 4, #1		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y and BearingPoint issues.
15	5-3 B Order Measures	O429 <sup>4</sup>	BearingPoint has been unable to replicate SBC's Jul, Aug, and Sep'02 results for PM 7	Yes	Section 3, #3 (ii) and Section 4, #5 (i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y and BearingPoint issues.
		O488 <sup>4</sup>	SBC's calculations of PM's 13 and 13.1 do not follow the published business rules	Yes	Section 3, #6 (ii) and Section 4, #8		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y and BearingPoint issues.
		O643	SBC is truncating lower dateparts during time interval calculations in all of the PM's that use time durations using MOR/TEL data	No		Although described in the E&Y work papers as identified in Section 4, 5(i), SBC understands that the E&Y reference is different than the BearingPoint observation.	SBC Midwest has reviewed the BearingPoint issue and is not in concurrence with the impact of the finding. SBC Midwest continue to review the matter with BearingPoint.
		O659	SBC's results for PM's 7, 7.1, and 8 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #4		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O676 <sup>4</sup>	SBC's results for PM's 10.4 and MI 2 do not follow Jul, Aug, or Sep'02 business rules	Yes	Section 3, #5(ii)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O684 <sup>4</sup>	SBC's results for PM's 10.4 and Michigan 2 do not follow the Jul, Aug, or Sep'02 Business rules	Yes	Attachment B, #7		A business rule change was implemented in Mar '03 to address the E&Y and BearingPoint concerns. If BearingPoint would move to Mar '03 or beyond for replication purpose, SBC Midwest believes they would be successful in their retesting efforts.
		O727	SBC's results for PM's 9, 10.2, 10.3, 11.1, 11.2, and 95 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #4		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O756	SBC's results for PM's 10, 10.4, 11, and 91 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #4		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
16	5-3 C Billing Measures	O461	SBC's retail calculation of the "Other Unbundled Network Elements" disaggregation of PM 14 does not follow the business rules	Yes	Attachment B, #9		SBC Midwest has reviewed the BearingPoint issue and is not in concurrence with BearingPoint interpretation of the business rule.
		O731	SBC's posted results for PM17 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #11		BearingPoint has identified an issue in which SBC believes it is holding itself to a higher standard for reporting its PM results than required under the current business rules as tested by BearingPoint. The BearingPoint scoring methodology requires a "unsatisfied" mark regardless of the fact that SBC Midwest's calculations are more stringent than required by the business rules as interpreted by BearingPoint.
17	5-3 E Provisioning Measures	O728	SBC's results for PM 59 do not follow the Jul'02 business rules	No		E&Y Work Paper: Reviewed and determined this not to be an issue.	SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.

**BearingPoint Performance Metric Test  
"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O729 <sup>4</sup>	SBC's results for PM's 56 and 56.1 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Section 4, #14(ii)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O794	SBC's results for PM 12 does not follow the Jul and Aug'02 business rules	No		E&Y Work Paper: Reviewed and determined this not to be an issue as it would only affect 2 out of 43 thousand records.	Finding has been fixed going forward with Aug '02 results. Based on analysis this issue does not meet SBC's materiality criteria for restatement (i.e., >5% materiality).
		O810	SBC's results for PM 55.3 do not follow the Jul'02 business rules	Undetermined		Unable to determine if it is included in the E&Y report at this time.	SBC is currently investigating a response.
18	5-3 F Maintenance & Repair Measures	E111 <sup>4</sup>	Timeliness measures of UNE loop repairs, are compared to retail results using dissimilar data points	Yes	Section 2, #2B and Attachment B, #23		SBC Midwest implemented a corrective action in Dec '02 to address the E&Y and BearingPoint issues. BearingPoint's testing would be successful if it calculated the results using data from Dec '02 or later.
19	5-3 G Interconnection Trunk Measures	None	If a test point in the measure family failed to meet the threshold, BearingPoint automatically fails the subsequent test points in the measure family.	N/A			BearingPoint labels this test point as "unsatisfied", merely because test point 5-2-G failed to meet the BearingPoint threshold. Therefore, subsequent test points in this measure family also fail.
20	5-3 I Local Number Portability Measures	O643	SBC is truncating lower dateparts during time interval calculations in all of the PM's that use time durations using MOR/TEL data	No		Although described in the E&Y work papers as identified in Section 4, 5(i), SBC understands that the E&Y reference is different than the BearingPoint observation.	SBC Midwest has reviewed the BearingPoint issue and is not in concurrence with the impact of the finding. SBC Midwest continue to review the matter with BearingPoint.
		O727	SBC's results for PM's 9, 10.1, 10.2, 10.3, 11.1, 11.2, and 95 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #4		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O732 <sup>4</sup>	SBC's results for PM 91 does not follow the Jul and Aug'02 business rules	Yes	Section 4, #19(iii)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O756	SBC's results for PM's 10, 10.4, 11, and 91 do not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #4		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
21	5-3 J 911 Measures	None	If a test point in the measure family failed to meet the threshold, BearingPoint automatically fails the subsequent test points in the measure family.	N/A			BearingPoint labels this test point as "unsatisfied", merely because test point 5-2-J failed to meet the BearingPoint threshold. Therefore, subsequent test points in this measure family also fail.



**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
22	5-3 K Poles, Conduits & Right of Way Measures	None	If a test point in the measure family failed to meet the threshold, BearingPoint automatically fails the subsequent test points in the measure family.	N/A			BearingPoint labels this test point as "unsatisfied", merely because test point 5-2-K failed to meet the BearingPoint threshold. Therefore, subsequent test points in this measure family also fail.
23	5-3 M Directory Assistance Database Measures	O785	SBC's results for PM's 110 and 111 do not follow the Jul, Aug, or Sep'02 business rules	No		E&Y Work Paper: Reviewed and determined this not to be an issue because the business rules do not specify which date to used to determine which month to report in and the data are being properly included in the results	SBC has updated documentation to identify criteria used for including transactions in data months. Upon delivery of this updated documentation SBC Midwest fully expects BearingPoint to close this observation as satisfied.
24	5-3 N Coordinated Conversion Measures	O570 <sup>4</sup>	SBC's results for PM's 114 and 115 do not follow the Jul, Aug, Sep'02 business rules	Yes	Section 3, #13		This finding did not meet SBC Midwest's criteria for restatement and has been fixed going forward, therefore BearingPoint closed this item as "unsatisfied".  BearingPoint has validated the corrective action for Sept '02 results.
		O631 <sup>4</sup>	SBC's results for PM's 114, 115 and MI 3 do not follow the Jul, Aug, Sep'02 business rules	Yes	Section 3, #13		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O793	SBC's results for PM's 114, 114.1, 115, and 115.1 do not follow the Aug'02 business rules	No		E&Y Work Paper: Reviewed and determined this not to be an issue as there was no material impact and the issue was isolated to August 2002 only	Manual processing error in July affected August results. SBC restated August results merely to satisfy BearingPoint testing criteria and forwarded restated data to BearingPoint for retesting, as the results based on SBC Midwest's criteria for restatement (i.e., > 5% materiality) would not have required a restatement.
25	5-3 P Bonafide Request Measures	O786	SBC's results for PM 120 does not follow the Jul'02 business rules	No		E&Y Work Paper: Reviewed and determined this not to be an issue.	This was a manual processing error that only occurred in June & July. As such this would not be included on the E&Y report. BearingPoint is currently retesting.
26	5-3 Q Facilities Modification Measures	O733	SBC's results for PM CLEC WI 9 does not follow the Jul, Aug, or Sep'02 business rules	Yes	Attachment B <sup>5</sup> , #37		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
27	5-3 R Other Measures	O594	SBC's results for PM MI 11 does not follow the Jan, Feb, or Mar'02 business rules	Yes	Section 2B, #11(ii)		SBC believes BearingPoint interpretation of the business rules is incorrect and is working to help them better understand SBC position.
		O624 <sup>4</sup>	SBC's results for PM MI 11 do not follow the Jul, Aug, Sep'02 business rules	Yes	Section 2B, #11(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O642	SBC's results for PM MI 14 do not follow the Jul'02 business rules	No		E&Y Work Paper: Reviewed and determined this not to be an issue as there was no material impact with or without duplicates	SBC corrected the counting of duplicate notifications in the manual UNE-P and manual Resale disaggregations for October results going forward. July, August, and September results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
		O643	SBC is truncating lower dateparts during time interval calculations in all of the PM's that use time durations using MOR/TEL data	No		Although described in the E&Y work papers as identified in Section 4, 5(i), SBC understands that the E&Y reference is different than the BearingPoint observation.	SBC Midwest has reviewed the BearingPoint issue and is not in concurrence with the impact of the finding. SBC Midwest continue to review the matter with BearingPoint.
<b>PMR 5-4: Exclusions are consistent with the documented rules</b>							
28	5-4 A Pre-order Measures	O587 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM 2	Yes	Section 2B, #1A		Closed - Satisfied BearingPoint has retested and validated the corrective action
		O726	SBC is improperly applying exclusions in the calculation of PM 1.1 for Jul, Aug and Sep'02.	Yes	Attachment B <sup>5</sup> , #1		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
29	5-4 B Order Measures	O584	SBC is using inaccurate data in the calculation of PM's 10 and 11.	Yes	Attachment B, #4		SBC Midwest has reviewed the BearingPoint issue and is not in concurrence with BearingPoint interpretation of the business rule.
		O687 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM 10.4 for Jul, Aug, or Sep'02	Yes	Section 3, #5(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O688	SBC is improperly applying exclusions in the calculation of PM 9 for Jul, Aug, or Sep'02	No		E&Y Work Paper: Reviewed and determined this not to be a material issue based on a preliminary review of December 2002 data that showed only 116 records affected across all five states	SBC corrected the issue related to the omission of false rejects for Revisions. This change was made for Jan '03 results going forward. July and August results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
		O725 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM's 10.4 and MI 2 for Jul, Aug and Sep'02.	Yes	Section 4, #7(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O743 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM 7.1 for the Jul and Aug'02 data months.	Yes	Section 4, #6		This finding did not meet SBC Midwest's criteria for restatement and has been fixed going forward, therefore BearingPoint closed this item as "unsatisfied".  BearingPoint would need to move to a month whose results reflect the corrective action that was implemented in Feb '03.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O746	SBC is improperly applying exclusions in the calculation of PM 13 for the Jul, Aug and Sep'02 data months.	No		E&Y Work Paper: Reviewed and determined this not to be an issue as rejects are excluded due to the fact that they are not eligible to be counted as flow through	SBC believes that it is properly excluding rejected transactions form PM 13 "Order Process Percent Flowthrough". SBC will propose a modification in the next 6-month review to change the exclusions listed in the business rule for PM 13 to address this issue.
		O755	SBC is improperly applying exclusions in the calculation of PM 10.1, 10.2, 10.3, 11.1, 11.2 and 95 for Jul, Aug and Sep'02.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue as false rejects represent less than .3% in any state	SBC corrected the issue related to the omission of false rejects for Revisions. This change was made for January 2003 results going forward. July and August results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
		O778 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM 5.2 for the Jul'02 data month.	Yes	Section 3, #2(i)		This finding did not meet SBC Midwest's criteria for restatement and has been fixed going forward, therefore BearingPoint closed this item as "unsatisfied".  BearingPoint would need to move to a month whose results reflect the corrective action that was implemented in Feb '03.
		O787	SBC is improperly applying exclusions in the calculation of 6 PM's for Jul, Aug and Sep'02.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue.	SBC corrected the issues related to the to improper exclusions. This change was made for November 2002 results going forward. July, August, and September results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
		O803	SBC is improperly applying exclusions in the calculation of PM 10, and PM 11 for Jul, Aug and Sep'02.	Undetermined		Unable to determine if it is included in the E&Y report at this time.	SBC corrected reporting logic to exclude LNP orders that are greater than 100 lines. This change was made for September 2002 results going forward. July and August results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
30	5-4 C Billing Measures	O694	SBC is improperly applying exclusions in the calculation of PM 19 for Jul, Aug. and Sep'02.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue as all results are 100%	BearingPoint has identified an issue in which SBC believes it is holding itself to a higher standard for reporting its PM results then required under the current business rules as tested by BearingPoint. The BearingPoint scoring methodology requires a "unsatisfied" mark regardless of the fact that SBC Midwest's calculations are more stringent then required by the business rules as interpreted by BearingPoint.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
31	5-4 E Provisioning Measures	O628	SBC is improperly applying exclusions in the calculation of PM 29 for Jul, Aug, Sep'02.	Yes	Attachment B <sup>5</sup> , #17		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O711	SBC is improperly applying exclusions in the calculation of PM's 45 and 58 for Jul, Aug and Sep'02.	Yes	Attachment B <sup>5</sup> , #17		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O717	SBC is improperly applying exclusions in the calculation of PM 55.2 for the Jul, Aug and Sep'02 data months.	No		E&Y Work Paper: Reviewed code and SBC Midwest's response and determined this is not to be an issue	Upon implementing the programming code outlined by SBC and using the updated data provided on February 27, BearingPoint was able to match SBC's posted results. BearingPoint has closed this observation as satisfied.
		O739	SBC is improperly applying exclusions in the calculation of PM 28 for the Jul, Aug and Sep'02 data months.	Yes	Attachment B <sup>5</sup> , #16		BearingPoint will be retesting the issue using data reflecting the corrective action that addressed these issues. Additionally, business rule clarifications agreed upon in the six-month review have been approved by the MPSC which relate to these interpretations.
		O748	SBC is improperly applying exclusions in the calculation of the retail analogs for all of the RRS Provisioning and Maintenance & Repair POTS UNE-P measures for the Jul, Aug and Sep'02 data months.	Yes	Attachment B <sup>5</sup> , #15		BearingPoint has closed O748, but opened O814. SBC is currently analyzing O814 to determine whether any corrective action is required.
		O749	SBC is improperly applying exclusions in the calculation of PM 55.2 and PM 56.1 for the Jul, Aug and Sep'02 data months.	No		E&Y Work Paper: Reviewed and determined this not to be an issue	Upon receiving clarification from SBC regarding the proper identification of NPAC caused misses, BearingPoint was able to match SBC's posted results. BearingPoint has closed this observation as satisfied.
		O768	SBC is improperly applying exclusions in the calculation of PM 56 for Jul, Aug, and Sep'02.	Yes	Attachment B <sup>5</sup> , #25		BearingPoint is considering additional information provided by SBC Midwest. SBC Midwest expects this observation to be closed as satisfied by BearingPoint upon completing their review of the additional documentation. BearingPoint is currently retesting.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O776	SBC is improperly applying exclusions in the calculation of PM 55.1 for the Jul'02 data month.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue based on data analysis	SBC has updated its calculation to include orders with the "Not Met Codes" in the exclusion criteria. This change was made for august 2002 results going forward. July results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
32	5-4 F Maintenance & Repair Measures	O716	SBC is improperly applying exclusions in the calculation of PM's 66 and 68 in the Jul, Aug and Sep'02 data months.	Yes	Attachment B <sup>5</sup> , #23		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O748	SBC is improperly applying exclusions in the calculation of the retail analogs for all of the RRS Provisioning and Maintenance & Repair POTS UNE-P measures for the Jul, Aug and Sep'02 data months.	Yes	Attachment B <sup>5</sup> , #15		BearingPoint has closed O748, but opened O814. SBC is currently analyzing O814 to determine whether any corrective action is required.
33	5-4 G Interconnection Trunk Measures	O719	SBC is improperly applying exclusions in the calculation of PM 78 for the Jul, Aug and Sep'02 data months.	Yes	Attachment B <sup>5</sup> , #26		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O804	SBC is improperly applying exclusions in the calculation of PM 75 for Jul, Aug and Sep'02.	Undetermined		Unable to determine if it is included in the E&Y report at this time.	SBC Midwest has reviewed the BearingPoint issue and is not in concurrence with BearingPoint interpretation of the business rule.
34	5-4 I Local Number Portability Measures	O710	SBC is improperly applying exclusions in the calculation of PM's 96, 97 and 98 for Jul, Aug and Sep'02.	Yes	Attachment B, #29		SBC Midwest is still reviewing the BearingPoint finding. The E&Y reference addresses only one of the performance measures (97).
		O747	SBC is improperly applying exclusions in the calculation of PM's 100 and 101 for the Jul, Aug and Sep'02 data months.	No		E&Y Work Paper: Reviewed and determined this not to be an issue	SBC corrected the issue related to improperly applying exclusions for "work was completed on time, but not posted/closed in system to reflect on-time completion". This change was made for February 2003 results going forward. July, August, and September data will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O755	SBC is improperly applying exclusions in the calculation of PM 10.1, 10.2, 10.3, 11.1, 11.2 and 95 for Jul, Aug and Sep'02.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue as false rejects represent less than .3% in any state	SBC corrected the issue related to the omission of false rejects for Revisions. This change was made for January results going forward. July and August results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
35	5-4 J 911 Measures	O724 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM 104.1 for Jul, Aug and Sep'02.	Yes	Section 2B, #8(ii)		BearingPoint has identified an issue in which SBC believes it is holding itself to a higher standard for reporting its PM results than required under the current business rules as tested by BearingPoint. The BearingPoint scoring methodology requires a "unsatisfied" mark regardless of the fact that SBC Midwest's calculations are more stringent then required by the business rules as interpreted by BearingPoint. SBC will propose a modification to the next six-month review to address this issue.
36	5-4 K Poles, Conduits & Right of Way Measures	O623 <sup>4</sup>	SBC's posted results for PM 105 and PM 106 do not follow the Jul, Aug, Sep'02 published metrics business rules.	Yes	Attachment B, #1		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed this issue. Since the 12/19 E&Y report, E&Y has also identified this as an issue in Michigan and other jurisdictions.
37	5-4 L Collocation Measures	O723	SBC is improperly applying exclusions in the calculation of PM 109 for Jul, Aug and Sep'02.	Yes	Attachment B <sup>5</sup> , #31		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.

**BearingPoint Performance Metric Test**  
**"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
38	5-4 M Directory Assistance Database Measures	O689 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM's 110 and 111 for Jul, Aug, or Sep'02	Yes	Attachment B <sup>5</sup> , #32		Issue 1 - BearingPoint has identified an issue in which SBC believes it is holding itself to a higher standard for reporting its PM results then required under the current business rules as tested by BearingPoint. The BearingPoint scoring methodology requires a "unsatisfied" mark regardless of the fact that SBC Midwest's calculations are more stringent then required by the business rules as interpreted by BearingPoint. BearingPoint would need to move to a month whose results reflect the corrective action taken effective in Nov '02. Issue 2 - Also while closed unsatisfied by BearingPoint (BE), this issue has been resolved in the 6 month PM review and will be retested by BearingPoint. BearingPoint allows no room for interpretation of the business rules, as such, any documentation issues, were required to be approved by the MPSC, before BearingPoint would consider them in their evaluation criteria.
39	5-4 N Coordinated Conversion Measures	O677	SBC's posted results for PM 115 do not follow the Jul, Aug, or Sep'02 published metrics business rules.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue as there were no orders greater than 60 for March'02, April'02 and May'02 except for WI which had one in March > 60 minutes and one in May > 120 Minutes.	SBC corrected the issue related to not reporting transactions in multiple measure disaggregations. This change was made for January results going forward. July and August results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)
		O709	SBC is improperly applying exclusions in the calculation of PM 115.2 for Jul, Aug and Sep'02.	No		E&Y Work Paper: Reviewed and determined this not to be an issue as the results correctly exclude No Access	SBC properly excludes "no access to the end user's location" as this exclusion is built into the "Actual Duration" field which is used to report this PM. SBC has provided BearingPoint with additional information regarding the calculation of the "Actual Duration Field".
		O722	SBC is improperly applying exclusions in the calculation of PM's: 114, 115, 115.1, 115.2 and MI 3 for Jul, Aug and Sep'02	Yes	Attachment B <sup>5</sup> , #33		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O738 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM 115.1 for Jul, Aug and Sep'02.	Yes	Attachment B, #34		SBC corrected the issue related to exclusions of network troubles. This change was made for Feb '03 going forward. July, August and Sept '02 results will not be restated based on SBC Midwest's criteria for restatement (i.e., diagnostic measure)



**BearingPoint Performance Metric Test  
"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O777	SBC is improperly applying exclusions in the calculation of PM 115.1 for the Jul, Aug and Sep'02 data months.	Yes	Attachment B <sup>5</sup> , #34		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
40	5-4 P Bonafide Request Measures	None	If a test point in the measure family failed to meet the threshold, BearingPoint automatically fails the subsequent test points in the measure family.	N/A			BearingPoint labels this test point as "unsatisfied", merely because test point 5-2-P failed to meet the BearingPoint threshold. Therefore, subsequent test points in this measure family also fail.
41	5-4 Q Facilities Modification Measures	O711	SBC is improperly applying exclusions in the calculation of PM's 45 and 58 for Jul, Aug and Sep'02.	Yes	Attachment B <sup>5</sup> , #17		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
		O718	SBC is improperly applying exclusions in the calculation of PM's CLEC WI 6, CLEC WI 7, CLEC WI 8 and CLEC WI 9 for Jul, Aug and Sep'02.	Yes	Attachment B <sup>5</sup> , #1		SBC believes they are currently reporting this Performance Measurement consistent with the intent of the business rules but has, for documentation purposes only, clarified those rules in the latest 6 month PM review. These clarifications have been approved by the MPSC. Although BearingPoint had closed this observation as "unsatisfied," they will be retesting using the clarified business rules.
42	5-4 R Other Measures	O637 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM MI 14	Yes	Section 3, #16(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O661 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM's 13.1, 91, 99, MI9, and MI13 for Jul, Aug, or Sep'02	Yes	MI 13, Section 4, #21(iii), MI 9, Section 3, #12(i)		BearingPoint is currently retesting the issue using data reflecting the corrective action that addressed the E&Y & BearingPoint issues.
		O741 <sup>4</sup>	SBC is improperly applying exclusions in the calculation of PM CLEC WI5 for the Jul, Aug and Sep'02 data months.	Yes	Section 4, #31		SBC corrected the issue related to exclusions. This change was made for Feb '03 going forward. July, August and Sept '02 results will not be restated based on SBC Midwest's criteria for restatement (i.e., >5% materiality). SBC is currently assessing whether to restate these measure merely to satisfy the BearingPoint test criteria.



**BearingPoint Performance Metric Test  
"Not Satisfied" Test Criteria - PMR 5**

BearingPoint 3/7/2003 Test Report				In E/Y Report <sup>1</sup>			BearingPoint Test
Item #	Test Criteria & Measure Group	Observation / Exception	Test Findings	Yes / No	Report Reference	If "No" (Explanation Included) <sup>2</sup>	Current Status <sup>3</sup>
		O787	SBC is improperly applying exclusions in the calculation of 6 PM's for Jul, Aug and Sep'02.	No		E&Y Work Paper: Reviewed and determined this not to be a material issue.	SBC corrected the issues related to the to improper exclusions. This change was made for November 2002 results going forward. July, August, and September results will not be restated based on SBC Midwest's criteria for restatement (i.e., > 5% materiality)

**Reference Notes**

1	Based on information contained in the Appendix A Management Assertions of the Dolan Horst Affidavit, Attachment F dated 12/19/02 filed in docket WC No. 03-16, on January 16, 2003.
2	Based on an analysis of the information contained in the E&Y workpapers entitled "BearingPoint Exceptions and Observations - Master Index - Phase 1" and "BearingPoint Exceptions and Observations - Master Index - Phase 2"
3	Status is based upon SBC Midwest's current understanding of BearingPoint's test results as of March 25, 2003. See also, Attachment A to the Ehr Reply Aff., which provides a more detailed current status and SBC Midwest's assessment of the impact on reported results for the open BearingPoint PMR observations and exceptions, as of February 25, 2003.
4	BearingPoint's initial testing was prior to the corrective action taken for the E&Y identified issue
5	Attachment B, page 1 indicates that E&Y does not consider these interpretations as exceptions to compliance with the business rules and SBC has not made modifications other than those noted in the six-month review.

	Issue was identified as an interpretation or as needing corrective action in the EY Report. BP testing was prior to SBC taking corrective action on the EY issue and either 1) BP is re-testing or has retested using data reflective of the corrective action or 2) BP's re-testing is not yet using data reflective of the corrective action.
	Issue was caused by a difference in interpretation of the business rule. EY either 1) did not disagree with SBC's interpretation or 2) the interpretation was not reviewed by EY. A clarification of the business rule that confirms SBC's interpretation has been approved by the MPSC as an outcome of the six month review process. [See Attachment D to Ehr Reply Aff.]
	Issue was reviewed by EY. In its report, EY did not identify this as an issue needing corrective action on the basis of EY's determination that the issue did not have a material impact on results. SBC has corrected the issue on a going-forward basis.
	The BP observation/notification report has been closed with a satisfied status because SBC has successfully demonstrated to BP that BP was mistaken in its initial analysis. BP has subsequently agreed there was no issue.
	SBC has taken corrective action to address the BP observation/notification and/or SBC's analysis shows that the change has an immaterial impact on results, i.e., a change is material only if the measure is not diagnostic and changes the outcome from a "make" to a "miss" or if it changes the result by more than 5%.

## **Attachment B**

From: Mielert, Peter T (BearingPoint)  
[mailto:[REDACTED]]  
Sent: Tuesday, April 01, 2003 2:03 PM  
To: FIORETTI, SAL (SBC-MSI)  
Subject: April 1, 2003 O&E Status Call

Sal--

Per our phone conversation, I am confirming that Observation Report 587 and Observation Report 749 both closed satisfactorily today. BearingPoint and SBC Ameritech were able to successfully resolve the issues raised in these Observation Reports.

Thank you,  
--Peter

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